

Child Daycare Services

(NAICS 6244)

SIGNIFICANT POINTS

- Preschool teachers, teacher assistants, and childcare workers account for about 3 out of 4 wage and salary jobs.
- Training requirements for most jobs are minimal.
- Job openings should be numerous because dissatisfaction with benefits, pay, and working conditions causes many to leave the industry.

Nature of the Industry

Obtaining affordable, quality child daycare, especially for children under age 5, is a major concern for many parents. Child daycare needs are met in many different ways. Care in a child's home, care in an organized child daycare facility, or care in a provider's home are all common arrangements for preschool-age children. Older children may receive child daycare services when they are not in school, generally through before- and after-school programs or private summer school programs. With the increasing number of women in the workforce, child daycare services has been one of the most talked about and fastest growing industries in the U.S. economy.

This industry consists of establishments that provide paid care for infants, prekindergarten or preschool children, or older children in after-school programs. For information on other social assistance services for children and youths, see the *Career Guide* statement on social assistance, except child daycare.

Formal child daycare centers include nursery schools, preschool centers, Head Start centers, and group daycare centers. Self-employed workers in this industry often provide care in their home for a fee. Others provide care for children in the child's home. This industry does not include occasional babysitters or persons who provide unpaid care in their homes for the children of relatives or friends.

The for-profit sector of this industry includes centers that operate independently or as part of a local or national chain. Nonprofit child daycare organizations may provide services in religious institutions, YMCAs and other social and recreation centers, colleges, public schools, social service agencies, and worksites ranging from factories to office complexes. The number of for-profit establishments has grown rapidly in response to demand for child daycare services. Within the nonprofit sector, there has been strong growth in Head Start, the federally funded child daycare program designed to provide disadvantaged children with social, educational, and health services.

Child daycare shifted in the past from unpaid to paid caregivers, particularly child daycare centers. Center-based care has increased, substituting for unpaid care by relatives, as fewer families have access to relatives who are willing or able to keep their children.

Some employers offer child daycare benefits to employees. They recognize that the lack of child daycare benefits is a barrier to the employment of many parents, especially qualified women,

and that the cost of the benefits is offset by increased employee morale and reduced absenteeism. Some employers sponsor child daycare centers in or near the workplace; others offer direct financial assistance, vouchers, or discounts for child daycare, after-school or sick-child daycare services, or a dependent care option in a flexible benefits plan.

Working Conditions

Watching children grow, learn, and gain new skills can be very rewarding. Preschool teachers and childcare workers often improve their own communication, learning, and other personal skills by working with children. The work is never routine; new activities and challenges mark each day. However, child daycare can be physically and emotionally taxing, as workers constantly stand, walk, bend, stoop, and lift to attend to each child's interests and problems. They must be constantly alert, anticipate and prevent trouble, deal effectively with disruptive children, and provide fair but firm discipline. Nonetheless, this is a relatively safe industry; in 2002, child daycare services had an injury and illness rate of 2.9 per 100 full-time workers, compared with a rate of 5.3 throughout private industry.

The hours of child daycare workers vary. Many centers are open 12 or more hours a day and cannot close until all of the children are picked up by their parents or guardians. Unscheduled overtime, traffic jams, and other types of emergencies can cause parents or guardians to be late. Nearly one third of the full-time employees in the child daycare services industry work more than 40 hours per week. Self-employed workers tend to work longer hours than do their salaried counterparts. The industry also offers many opportunities for part-time work—about a third of all employees worked part time in 2002.

Many child daycare workers become dissatisfied with their jobs' stressful conditions, low pay, and lack of benefits and eventually leave. The proportion of child daycare workers who need to be replaced each year is much higher than the average for all occupations.

Employment

Child daycare services provided about 734,000 wage and salary jobs in 2002. Also, about 517,000 self-employed persons worked in the industry. Most of the self-employed were family childcare providers, and some were self-employed managers of child daycare centers. However, employment estimates understate the

total number of people working in this industry because they exclude family childcare homes run by relatives and other family childcare providers; these providers function under exemption clauses in State regulations that allow them to operate without a license if they care for a limited number of children.

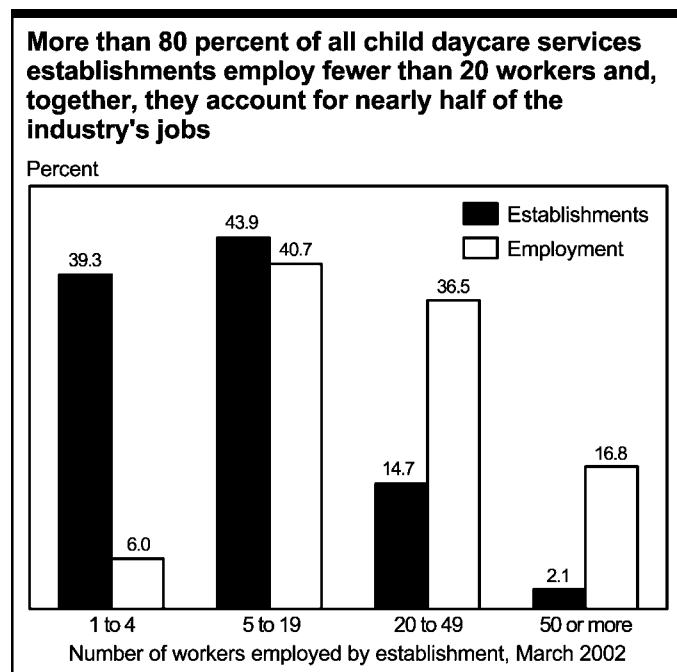
Jobs in child daycare are found across the country, mirroring the distribution of the population. Child daycare operations vary in size, from the self-employed person caring for a few children in a private home to the large corporate-sponsored center employing a large staff. About half of all wage and salary jobs in 2002 were located in establishments with fewer than 20 employees. Nearly all establishments have fewer than 50 workers (chart).

Opportunities for self-employment in this industry are among the best in the economy. More than 40 percent of all workers in the industry are self-employed, compared with only 8 percent in all industries. This reflects the ease of entering the child daycare business.

Table 1. Percent distribution of employment in child daycare services by age group, 2002

Age group	Child day care services	All industries
Total	100.0	100.0
16 to 19	8.0	4.6
20 to 24	14.9	9.8
25 to 34	24.7	22.2
35 to 44	23.1	25.8
45 to 54	18.2	22.9
55 to 64	8.7	11.5
65 and older	2.4	3.2

The median age of child daycare providers is 36, compared with 40 for all workers. About 23 percent of all care providers are 24 years of age or younger (table 1). About 8 percent of these workers are below the age of 20, reflecting the minimal training requirements for many child daycare positions.



Occupations in the Industry

There is far less occupational diversity in the child daycare services industry than in most other industries. Three occupations—*preschool teachers*, *teacher assistants*, and *childcare workers*—account for 75 percent of all wage and salary jobs (table 2).

Table 2. Employment of wage and salary workers in child daycare services by occupation, 2002 and projected change, 2002-12

(Employment in thousands)

Occupation	Employment, 2002 Number	Percent	Percent change, 2002-12
All occupations	734	100.0	43.1
Management, business, and financial occupations	53	7.2	39.9
General and operations managers	9	1.2	44.3
Education administrators, preschool and child care center/program	32	4.4	36.0
Professional and related occupations	403	54.9	42.1
Child, family, and school social workers ...	7	1.0	48.5
Social and human service assistants	6	0.8	75.6
Preschool teachers, except special education	266	36.3	42.7
Kindergarten teachers, except special education	9	1.2	33.6
Elementary school teachers, except special education	5	0.7	28.4
Teacher assistants	91	12.3	39.0
Service occupations	240	32.6	47.3
Cooks, institution and cafeteria	17	2.3	17.7
Building cleaning workers	9	1.2	38.6
First-line supervisors/managers of personal service workers	7	1.0	48.5
Child care workers	190	25.9	50.3
Office and administrative support occupations	27	3.7	27.7
Bookkeeping, accounting, and auditing clerks	5	0.7	26.7
Secretaries and administrative assistants	8	1.1	22.3
Office clerks, general	7	0.9	29.3
Transportation and material moving occupations	10	1.3	36.4
Bus drivers, school	7	0.9	36.0

NOTE: May not add to totals due to omission of occupations with small employment.

Preschool teachers make up the largest occupation in the child daycare industry, accounting for about 36 percent of wage and salary jobs. They teach pupils basic physical, intellectual, and social skills needed to enter primary school. *Teacher assistants* account for 12 percent of employment. They give teachers more time for teaching by assuming a variety of tasks. For example, they may set up and dismantle equipment or prepare instructional materials.

Childcare workers account for about 25 percent of wage and salary jobs. Large proportions of the self-employed who keep children in their homes also are childcare workers. In a home

setting, they are known as *family childcare providers*. Some parents hire *private household workers*, such as *nannies*, to care for their children in their own home. Regardless of the setting, these workers feed, diaper, comfort, and play with infants. When dealing with older preschoolers, they attend to the children's basic needs and organize activities that stimulate physical, emotional, intellectual, and social development.

Education administrators, preschool and child care center/program account for about 4 percent of wage and salary workers. They establish overall objectives and standards for their center and provide day-to-day supervision of their staff. They bear overall responsibility for program development, as well as for marketing, budgeting, staffing, and all other administrative tasks.

In addition to the above occupations, child daycare centers also employ a variety of *office and administrative support workers, building cleaning workers, cooks, and busdrivers*.

Training and Advancement

Most States do not impose training requirements for family childcare providers. However, many local governments offer training and require family childcare providers to obtain licenses. Home safety inspections and criminal background checks are usually required of an applicant. In the case of child daycare centers, however, staffing requirements are imposed primarily by the States and by insurers. Although requirements vary, in most cases a minimum age of 18 is required for teachers, and directors or officers must be at least 21. In some States, assistants may work at age 16, and in several States, at 14.

Most States have established minimum educational or training requirements. Training requirements are most stringent for directors, less so for teachers, and minimal for childcare workers and teacher assistants. In many centers, directors must have a college degree, often with experience in child daycare and specific training in early childhood development. Teachers must have a high school diploma and, in many cases, a combination of college education and experience. Assistants and childcare workers usually need a high school diploma, but it is not always a requirement. Some employers prefer to hire workers who have received credentials from a nationally recognized child daycare organization.

Many States also mandate other types of training for staff members, such as health and first aid, fire safety, and child abuse detection and prevention. In nearly all States, licensing regulations require criminal record checks for all child daycare staff. This screening requirement protects children from abuse and reduces liability risks, making insurance more available and affordable.

State governments also have established requirements for other child daycare center personnel involved in food preparation, transportation of children, provision of medical services, and other services. Most States have defined minimum staff-to-children ratios. These vary depending on the State and the age of the children involved.

Earnings

In 2002, hourly earnings of nonsupervisory workers in the child daycare services industry averaged \$9.50, much less than the

average of \$14.95 throughout private industry. On a weekly basis, earnings in child daycare services averaged only \$284 in 2002, compared with the average of \$506 in private industry. Weekly earnings reflect, in part, hours worked—salaried workers in child daycare services averaged 29.9 hours a week, compared with about 33.9 throughout private industry. Earnings in selected occupations in child daycare services in 2002 appear in table 3.

Table 3. Median hourly earnings of the largest occupations in child daycare services, 2002

Occupation	Child daycare services	All industries
General and operations managers	\$17.66	\$32.80
Education administrators, preschool and child care center/program	14.52	16.03
Child, family, and school social workers	12.60	15.94
First-line supervisors/managers of personal service workers	11.52	13.92
Bus drivers, school	9.00	10.77
Preschool teachers, except special education	8.69	9.26
Office clerks, general	8.63	10.71
Janitors and cleaners, except maids and housekeeping cleaners	7.96	8.77
Cooks, institution and cafeteria	7.77	8.72
Child care workers	7.18	7.86

Employee benefits often are minimal as well. A substantial number of child daycare centers offer no healthcare benefits to any teaching staff. Reduced child daycare fees for workers' children, however, are a common benefit. Wage levels and employee benefits depend in part on the type of child daycare center. Nonprofit and religiously affiliated centers generally pay higher wages and offer more generous benefits than do for-profit establishments.

In 2002, less than 4 percent of all workers in child daycare services were union members or covered by union contract, compared with about 15 percent of workers in all industries.

Outlook

Wage and salary jobs in the child daycare services industry are projected to grow 43 percent over the 2002-12 period, compared with the 16 percent employment growth projected for all industries combined. An unusually large number of job openings also will result each year from the need to replace experienced workers who leave this industry. Replacement needs are substantial, reflecting the low wages and relatively meager benefits. Faster-than-average employment growth, when coupled with substantial replacement needs, should create numerous employment opportunities.

The rising demand for child daycare services reflects demographic trends. Over the 2002-12 period, the number of women of childbearing age (widely considered to be ages 15 to 44) is expected to grow very slowly; however, the labor force participation rate of such women is expected to increase. As a result, the number of women in the labor force with children young enough to require child daycare will increase steadily. Also, the number of children under age 5 is expected to increase during this period.

The demand for child daycare services will continue to grow. As the labor force participation of women between the ages of 16 and 44 remains high, parents of preschool and school-age children are expected to seek more daycare arrangements. As parents continue to work during weekends, evenings, and late nights, the demand will grow significantly for child daycare programs that can provide care during nontraditional hours. School-age children, who generally require child daycare only before and after school, increasingly are being cared for in centers.

Center-based care should continue to expand its share of the industry as government increases its involvement in promoting and funding child daycare services. Increased subsidies for children from low-income families attending child daycare programs would result in more children being served in centers. Demand for preschool teachers could increase if many States implement mandatory preschool for 4-year-old children. Another factor that could result in more children being cared for in centers is the increasing involvement of employers in funding and operating daycare centers. Welfare reform legislation requiring more welfare recipients to work also could contribute to demand for child daycare services.

Sources of Additional Information

For additional information about careers in early childhood education, contact:

- National Association for the Education of Young Children, 1509 16th St. NW., Washington, DC 20036. Internet: <http://www.naeyc.org>

For more information about the childcare workforce, contact:

- Center for the Child Care Workforce, a project of the American Federation of Teachers Education Foundation, 555 New Jersey Ave., NW., Washington, DC 20001. Internet: <http://www.ccw.org>

For an electronic question-and-answer service on childcare, information on becoming a childcare provider, and other childcare resources, contact:

- National Child Care Information Center, 243 Church St. NW., 2nd floor, Vienna, VA 22180. Telephone (tollfree): 800-424-4310. Internet: <http://www.nccic.org>

For a database on licensing requirements of childcare settings by State, contact:

- National Resource Council for Health and Safety in Child Care, University of Colorado Health and Sciences Center at Fitzsimons, Campus Mail Stop F541, P.O. Box 6508, Aurora, CO 80045-0508. Telephone (tollfree): 800-598-5437. Internet: <http://nrc.uchsc.edu>

For a list of colleges offering courses in early childhood education, contact:

- Council for Professional Recognition, 2460 16th St. NW., Washington, DC 20009-3575. Internet: <http://www.cdacouncil.org>

For information on becoming a family childcare provider, send a stamped, self-addressed envelope to:

- The Children's Foundation, 725 15th St. NW., Suite 505, Washington, DC 20005-2109. Internet: <http://www.childrensfoundation.net>

State Departments of Human Services or Social Services can supply State regulations concerning child daycare programs, childcare workers, teacher assistants, and preschool teachers.

Detailed information on the following key occupations in the child daycare services industry appears in the 2004-05 *Occupational Outlook Handbook*:

- Education administrators
- Childcare workers
- Teacher assistants
- Teachers—preschool, kindergarten, elementary, middle, and secondary